GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:6139
ANSWERED ON:27.04.2001
IMPACT OF DEVALUATION OF RUPEE ON IMPORTS EXPORTS
RAMJI LAL SUMAN;SUSHIL KUMAR INDORA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether devaluation of Indian Rupee has created an adverse impact on the Export-Import trade of the country;

(b) if so, the reaction of the Government thereto;

(c) the increase or decrease in Import, Export business of the country due to 6.97 per cent devaluation of rupee during 2000-2001; and

(d) the names of commodities which have been affected adversely due to devaluation of rupee?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) to (d) : While depreciation is considered to help exports and make imports costlier, imports and exports are affected by a number o f factors like growth in world trade, growth in demand for our exports, domestic need for imports, governments policies, etc. However, depreciation has to be viewed in relation to issues like depreciation by competitors, extent of overvaluation of domestic currency, impact on international debt & foreign investment, extent of domestic inflation, etc. The favourable world trade situation, government policy initiatives like reduction in transaction costs through decentralisation, simplification of procedures and various other measures as enumerated in the Exim Policy, etc. would affect export - import trade of the country. Export promotion being a constant endeavor of the Government, a number of steps have been taken to enhance the export growth which include reduction in transaction costs through decentralisation, simplification of procedures and various other measures as enumerated in the Exim Policy. Steps have also been taken to promote exports through multilateral and bilateral initiatives, identification of thrust sectors and focus regions. Special Economic Zones are being set up to further boost the exports. Exports have performed well this year with a growth of 20.03% during April-February, 2000-2001 over the corresponding period last year. As per the latest available disaggregated data from Directorate General of Commercial Intelligence and Statistics (DGCI&S), Calcutta, the major exportable principal commodities which have shown good performance during April-December, 2000-2001 inter alia include electronic goods, engineering goods, ores and minerals, textiles, including readymade garments, cotton yarn fiber, chemical and related products, etc.